

# Shasta LAFCO

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## Local Agency Formation Commission of Shasta County

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### MINUTES

#### Special Meeting – May 3, 2007

(These Minutes are not intended to be a verbatim transcription of the proceedings and discussion associated with the business on the Commission's agenda; rather, what follows is a summary of the order of business and general nature of testimony, Commission deliberation, and action taken.)

#### **CALL TO ORDER/ROLL CALL/INTRODUCTIONS**

Vice Chairman Webster called the meeting to order at 10:00 a.m. at the Shasta Board of Supervisors Chambers, 1450 Court Street, Room 263, Redding, California. Commissioners Kehoe, Webster, Dickerson, Gover, Baugh and Langfield were present. Commissioner Miller was absent. Executive Officer Mickelson, Counsel Johnson and Clerk Smith were present as staff.

#### **PLEDGE OF ALLEGIANCE**

Commissioner Kehoe led the Pledge of Allegiance.

#### **PUBLIC COMMENT**

There was no public comment submitted.

#### **MINUTES**

The minutes of April 5, 2007 were presented. By motion made and seconded (Baugh, Kehoe) the Commission approved the April 5, 2007 minutes.

#### **LEGISLATIVE REPORT**

Ms. Mickelson presented the Commissioners with a current legislative report. She is recommending support for AB 745, AB 1262, AB 1263, AB 1744, SB 819 and SB 516. Commissioner Kehoe stated that in regards to SB 516 the County Board of Supervisors has not yet made the decision to support this bill. Commissioner Kehoe then read the item attached from the Board of Supervisors Chairman Cibula regarding SB 516. He then stated that the Supervisors had some concerns about this bill and felt that there were some misplaced and inaccurate comments from Mr. Aanestad. Ms. Mickelson stated that this proposed District referenced in SB 516 would not be under LAFCO purview and that was the one specific area for which she would like support. Ms. Mickelson recommended for the Commission to support the other bills as suggested and to place SB 516

on a watch list. By motion made and seconded (Baugh, Kehoe) the Commission approved to support the bills recommended by staff with the exception of SB 516.

## **BUDGET & FISCAL AFFAIRS:**

### FY 2006-07 4th Quarter Claims Register

The Claims registers were presented for review and adoption. Questions and clarifications were asked and answered. By motion made and seconded (Baugh, Kehoe) the Commission approved the Claims Register.

### Consideration of Checking Account Statement

Ms. Mickelson presented the most current bank statement for review. By motion made and seconded (Gover, Kehoe) the Commission approved the Tri Counties bank statement as presented.

### Budget Ad Hoc Committee Report and Request for Direction

Commissioner Langfield began the discussion regarding the preparation of the Final Budget. Commissioner Baugh stated that he prefers a conservative budget. Ms. Mickelson stated that LAFCO has always used the least amount of funds as possible. Some expenses will diminish with the continuation of independent operations; other will increase outside of LAFCO control, such as insurance rates. Commissioner Webster asked if LAFCO has a target number for reserves. Ms. Mickelson informed the Commissioners that previously LAFCO had always gone with what the Auditor/Controller recommended, trying to create a realistic yet conservative budget. She also stated that one option was to increase application fees. Commissioner Baugh was concerned that if LAFCO continued to use reserves and run in a deficit, that in three years LAFCO would be financially instable. Commissioner Baugh felt that LAFCO needs to have a reserve policy set in place. Commissioner Kehoe concurred with Commissioner Baugh in regards to setting a reserve policy. He also felt that specific items needed to be looked at prior to looking at raising contribution rates. Commissioner Baugh agreed. Commissioner Webster expressed his desire to hold a special meeting on May 30<sup>th</sup> to go over the budget.

Commissioner Langfield gave a summation of revenues vs. expenses for the last three years of LAFCO. Commissioner Gover stated that he felt that they needed to look at more than just numbers. They needed to look at what they were trying to accomplish and that it wouldn't be effective to squeeze a budget down and not be able to provide a good service to the Special Districts and to the public.

Commissioner Baugh made the motion to use the projected roll over amount of \$20,000 from this fiscal year 2006-2007, and apply it to the next fiscal year of 2007-2008, as well as use \$20,000 of reserves. Leaving a reserve amount of \$26,000. Commission Langfield pointed out that that the amount of monies needed to cover the budget included an increase of agency contributions. Since the Commission is looking to avoid an increase of contributions, there would be an additional shortage of \$12,000.

After some discussion among the Commissioners regarding the Draft Budget as well as the proposed increase of fees, the original motion was withdrawn.

Commissioner Dickerson expressed concern of LAFCO continually dipping into reserves. Commissioner Kehoe agreed and felt that LAFCO should be “living within their means”. Commissioner Gover asked what it is exactly that the Commission wants. Ms. Mickelson explained that once that question is answered, staff could work towards their end goal with clear direction given. Commissioner Webster recommended setting the amount of reserves to be 10% of revenues. Commissioner Langfield requested that a specific dollar amount be set. Commissioner Webster explained that as revenues fluctuates so should our reserves. By motion made and seconded (Dickerson, Kehoe) the Commission approved the reserve amount to be 10% of revenues.

Commissioner Webster asked about setting a special meeting on May 30<sup>th</sup>. Commissioner Baugh recommended that we hand the budget back to staff now that clear direction has been given. Commissioner Webster stated that staff would prepare the budget and would work diligently to avoid an increase in agency contribution amounts. He did state however, that if an increase of contributions was necessary, the maximum amount of contribution should be no higher than \$64,000.

#### **MUNICIPAL SERVICE REVIEWS:**

##### Cottonwood Fire Protection District Final Draft

Ms. Mickelson presented the Final Draft MSR for Cottonwood FPD. She stated that the only items missing were a current map for Cottonwood FPD as well as some pictures. She also noted that a copy of an e-mail received from the City of Anderson, incorporated herein, was set before them in regards to the Cottonwood MSR.

At 11:24 Ms. Mickelson requested a 3-minute break. *At this time Commissioner Dickerson left the meeting.*

At 11:28 the meeting resumed with Fire Chief Randy Armstrong making comments on the e-mail from the City of Anderson. Commissioner Kehoe asked about the significance of the above-mentioned e-mail in regards to the Cottonwood MSR as well as if the County Fire Marshal Jim Diehl had any comments. Commissioner Webster stated that the e-mail was circulated to start the discussion of the possible annexation to the City of Anderson. Commissioner Baugh felt that the e-mail from the City of Anderson was not relevant to the Cottonwood MSR being looked at today. Mr. Diehl spoke and stated that this was the first time he had seen the Cottonwood MSR due to correspondence issues with LAFCO staff and presently didn't have any comments since today was the first time he was able to read it. Commissioner Kehoe asked if this issue had been resolved. Ms. Mickelson and Mr. Diehl stated that the issue has been resolved.

Ms. Mickelson asked the Commission to approve the Final Draft as presented. By motion made and seconded (Baugh, Langfield) the Commission approved the Cottonwood Fire Protection District Final Draft MSR.

#### Report on Upcoming Proposals

The Executive Officer provided a brief report to the Commissioner regarding upcoming and expected proposals. Discussion followed. No action was taken.

#### **COMMISSIONER ANNOUNCEMENTS**

No announcements

#### **STAFF ANNOUNCEMENTS**

Ms. Mickelson announced that the next Special Meeting will be June 14<sup>th</sup> and will be held at the Anderson City Council Chambers.

#### **ADJOURNMENT**

There being no further business, Vice Chairman Webster adjourned the meeting at 11:45 a.m.

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Jessica Smith  
Clerk to the Commission

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Date